

COMMITTEE ON FINANCE
(Standing Committee of Berkeley County Council)

Chairman: Mr. Jack H. Schurlknight, Council Member District No. 6

A **meeting** of the **Committee on Finance**, Standing Committee of Berkeley County Council, was held on Monday, **April 25, 2011**, in the Assembly Room of the Berkeley County Administration Building, 1003 Highway 52, Moncks Corner, South Carolina, at 6:16 p.m.

PRESENT: Chairman Jack H. Schurlknight, Council District No. 6; Committee Member Robert O. Call, Jr., Council District No. 3; Committee Member Cathy S. Davis, Council District No. 4; Committee Member Caldwell Pinckney, Jr., Council District No. 7; Committee Member Steve C. Davis, Council District No. 8; ex-officios Mr. Daniel W. Davis, County Supervisor, Mr. Phillip Farley, Council District No. 1, Mr. Timothy J. Callanan, Council District No. 2, and Mr. Dennis Fish, Council District No. 5; Ms. Nicole Scott Ewing, County Attorney; Mr. Joshua A. Gruber, Assistant County Attorney; and Ms. Barbara B. Austin, Clerk of County Council.

In accordance with the Freedom of Information Act, the electronic and print media were duly notified.

Chairman Schurlknight called the meeting to order.

APPROVAL OF MINUTES

Chairman Schurlknight: "First on the agenda is approval of minutes from March 14, 2011 and March 28, 2011."

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve** the minutes as presented. The motion passed by unanimous voice vote of the Committee.

EXECUTIVE SESSION – none

A. Consideration of a **resolution** identifying a project to satisfy the requirements of Title 12, Chapter 44, of the South Carolina Code, so as to allow investment expenditures incurred by **Project Surge**, its affiliates and related entities, to qualify as expenditures eligible for a **fee-in-lieu of ad valorem taxes** arrangement with Berkeley County, South Carolina, committing to enter into necessary agreements with Project Surge to effect the intent of this resolution, and other matters related thereto.

Mr. Gene Butler, Economic Development Director: "Mr. Chairman, Members of Council, I wanted to speak just briefly to you about this project. It's a company that's interested in purchasing the existing rubber recovery building or facility that's off Cypress Gardens Road. The company would invest about \$25,000,000 in the purchase and up-fit of that building, and over a three-year period, would probably add about 105 new jobs. It's a pretty good company that's been in existence for some time and has experience in the rubber recovery business, and they make several products that you would probably recognize in retail stores. They make the mulch material that you see in playgrounds out of the rubber recovery process and also rubber tiles that you can purchase to put down in your home for an outdoor-type area. Those are the type products that they would be making at that facility."

Chairman Schurlknight: "Gene, on that building out there, how long has that been vacant?"

Mr. Butler: It has someone in it now, Green Energy, I think it is, that's in it – Energy City – that's in it. That's what it is that's in there now that's doing that. So, they're using a portion of the building. They're not using the entire facility. This company would either merge or take over that operation. They would be both of those operations in there as well."

Committee Member Steve Davis: "How long would the fee-in-lieu agreement be?"

Mr. Butler: "A twenty-year fee."

Committee Member Steve Davis: "Twenty-year?"

Mr. Butler: "Yes, at six percent..."

Mr. Callanan: "Mr. Chairman?"

Mr. Butler: "...that's just, basically, on the machinery and equipment. It's nothing on the building."

Committee Member Steve Davis: "Nothing on the building?"

Mr. Butler: "That's right."

Chairman Schurlknight: "Mr. Callanan."

Mr. Callanan: "Again, I always like to point this out every chance I get. What we're essentially doing here is that the State of South Carolina has the highest property tax for manufacturing equipment, at ten and one-half percent. We're just bringing it down to a reasonable level, which is still more than your, than you pay on a single-family home, so – which is six percent, correct?"

Mr. Butler: "That's correct."

Mr. Callanan: "Right."

Committee Member Pinckney: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Pinckney."

Committee Member Pinckney: "Mr. Butler, on the 105 additional jobs that count on the max end or is that just what we can kind of expect in the process?"

Mr. Butler: "No, that's what they are committing to – 105 jobs to do this, and they'll be paying at the County average of \$15.22 and higher, so they're all good jobs. And, they'll start, probably, in July."

Committee Member Pinckney: "July of?"

Mr. Butler: "Of this year."

Committee Member Pinckney: "Great."

Mr. Butler: "And, reach that 105 total within a three-year time."

Committee Member Pinckney: "Oh, within a three-year period, ok; alright, thank you."

Chairman Schurlknight: "We have any other..."

There was no further discussion.

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve** consideration of a resolution identifying a project to allow investment expenditures incurred by Project Surge to qualify as eligible for a fee-in-lieu of ad valorem tax arrangement with Berkeley County. The motion passed by unanimous voice vote of the Committee.

B. Consideration prior to First Reading of an ordinance to amend the language of Ordinance No. 79-03-08, as amended, by requiring a residency requirement of all Sangaree Advisory Committee Members.

It was moved by Committee Member Cathy Davis and seconded by Committee Member Steve Davis to **approve** consideration, prior to First Reading, of an ordinance to amend the language of Ordinance No. 79-03-08, by requiring a residency requirement of

all Sangaree Advisory Committee Members. The motion passed by unanimous voice vote of the Committee.

C. Consideration prior to First Reading of an ordinance authorizing (1) the execution and delivery of (a) a second amended and restated fee-in-lieu of tax and incentive agreement by and between Berkeley County, South Carolina (the “County”), and **HLIT IV SC-1, LP, and HLIT IV SC-2, LP**, and (b) a second amended and restated fee-in-lieu of tax and incentive agreement by and between the County and **HW Berkeley Phase II-A, LLC, HW Berkeley Phase II-B, LLC, and HW Berkeley Phase II-C, LLC**, in connection with investment in the County; and (2) other matters relating to the foregoing.

Chairman Schurlknight: “And, I hope you don’t ask me to re-read that again.”

Committee Member Steve Davis: “Anybody can present any information though?”

Committee Member Pinckney: “Yeah; right.”

Chairman Schurlknight: “Ok, George?”

Mr. George Bullwinkel: “Mr. Chairman, Council Members, George Bullwinkel, Nexsen Pruet, Charleston, South Carolina. This is similar to the agreement, if you remember the end of last year, for RG-MWV, which is also out in the Jedburg Area. This is the project that we all know as the Hillwood Project right on 26, similar to what Council adopted at the beginning of this year and read through last year. This helps clarify some issues within the document. We’re working with your counsel right now, and your outside bond counsel, and it also – it does not take – Mr. Callanan, you asked how many – Mr. Davis, you asked how many years of fee-in-lieu. The law now allows 40 years, the new statute. We’ve worked with your staff. They suggested 30 years, similar to the RG-MWV, so that’s what we’ve asked for. And then, if a large project comes back that needs something more, than we’ll come and demonstrate why it needs to be longer than that if that’s so the case.”

Committee Member Steve Davis: “What was the significant second amendment? Can you refresh my memory on that?”

Mr. Bullwinkel: “Yes, Sir; the – it gets quite confusing, and I know the title can demonstrate that. Basically, what happened is there is two phases of property out there. There’s 700 acres that’s controlled by Hillwood. Part of the property is currently owned by Hillwood; part of the property is optioned. That’s why – that’s what happened in the first amendment. No other items were changed, and it kind of bifurcated the agreement. So now, we have to do the – we have to go back and make the changes to both agreements.”

Committee Member Steve Davis: "Both agreements?"

Mr. Bullwinkel: "Yes, Sir."

Committee Member Steve Davis: "Ok."

Chairman Schurlknight: "Any other questions or comments?"

There were no further questions or comments.

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve** consideration, prior to First Reading of an ordinance authorizing execution and delivery of a second amended and restated fee-in-lieu of tax and incentive agreement by and between Berkeley County and HLIT IV SC-1, LP, HLIT IV SC-2, LP, HW Berkeley Phase II-A, LLC, HW Berkeley Phase II-B, LLC and HW Berkeley Phase II-C, LLC. The motion passed by unanimous voice vote of the Committee.

D. Consideration prior to First Reading of the following:

1. An **ordinance** providing for the fiscal year beginning July 1, 2011 and ending June 30, 2012 for the **Devon Forest Special Tax District** operational budget; and to provide for the expenditures of the revenues received by the Devon Forest Special Tax District during the fiscal year.

Mr. Fish: "Move for approval."

Committee Member Cathy Davis: "Second."

Chairman Schurlknight: "We have a motion and a second. Any discussion?"

Committee Member Steve Davis: "I got an issue. This is the Finance Committee, right?"

Chairman Schurlknight: "Yes."

Committee Member Steve Davis: "Well, I think I'm gonna move for Mr. Fish, because he's not actively – just to make the record proper, in reference to the rules that we adopted, if you don't mind, Mr. Fish?"

Mr. Fish: "I'm just not voting on it."

Committee Member Steve Davis: "Well, it's still a motion active."

Chairman Schurlknight: "Sure."

Committee Member Steve Davis: "I mean, you gotta be a Member of the Committee for that."

Mr. Fish: "Sure."

Committee Member Steve Davis: "Yeah; so I would move..."

Mr. Fish: [inaudible]

Committee Member Steve Davis: "...for approval and substitute his motion, please."

Chairman Schurlknight: "Sure; ok; we have a motion. Do we have a second?"

Committee Member Call: "Second."

Committee Member Cathy Davis: "Second."

It was moved by Committee Member Steve Davis and seconded by Committee Member Call to **approve** consideration, prior to First Reading, of an ordinance for the Devon Forest Special Tax District operational budget for fiscal year beginning July 1, 2011 and ending June 30, 2012. The motion passed by unanimous voice vote of the Committee.

2. An **ordinance** providing for the fiscal year beginning July 1, 2011 and ending June 30, 2012 for the **Pimlico Special Tax District** operational budget; and to provide for the expenditures of the revenues received by the Pimlico Special Tax District during the fiscal year.

Mr. Farley: "Move for approval."

Committee Member Steve Davis: "Second."

Chairman Schurlknight: "We have a motion and second; discussion? Hearing none, all in favor?"

"Ayes" heard.

Chairman Schurlknight: "Motion carries."

Mr. Farley: "Mr. Chairman?"

Chairman Schurlknight: "Yes."

Mr. Farley: "I'm not on the Finance Committee, I don't think."

Chairman Schurlknight: "Ok, let's back up on that there then."

Mr. Callanan: "And, Mr. Chairman, Pimlico is in my district, and I'm not on the Finance Committee, so we just need to find someone else."

Committee Member Steve Davis: "That's no problem, I'll manage."

Mr. Fish: "Mr. Chairman?"

Chairman Schurlknight: "Yes, Mr. Fish."

Mr. Fish: "I'm not on the Committee either, but I would hope one of ya'll would take care – since none of us are involved in Finance, that ya'll would take and analyze those figures when they come in from those districts, since we're not involved."

Chairman Schurlknight: "Well, Mr. Fish, you are an ex-officio Member of this Committee, and you have the right to analyze the figures and..."

Committee Member Steve Davis: "Yep."

Chairman Schurlknight: "...give us recommendations just as it is in ya'll's districts."

Mr. Callanan: "We, we can't recommend, because recommending is a motion. We cannot do that."

Chairman Schurlknight: "Well, I think..."

Mr. Callanan: "We can comment, but that's the limit of an ex-officio member."

Chairman Schurlknight: "I would think that if ya'll had any concerns, ya'll can bring it to this Committee. The Committee is very open, and..."

Mr. Callanan: "It's closed, I mean, that's the point."

Chairman Schurlknight: "...all the Members of the Committee would recognize those concerns."

Mr. Callanan: "The point is it's closed. It's closed to three – to four of us. All I was asking is that someone take that on for me since I'm not on the Committee."

Committee Member Pinckney: "Move for approval."

Mr. Callanan: "Thank you."

Committee Member Steve Davis: “I second. That’s not even an issue. I don’t see why we need to make that a big issue. It’s not as if these Committee issues, specifically, like this are not going to find themselves in front of County Council. It is going to find itself in front of County Council where there’s full participation by all parties.”

Chairman Schurlknight: “You’re exactly right, Councilman Davis, and when these Committees were formed even the ex-officiating officers who are members will have a chance to speak their peace, especially, when it’s something in their district, so – and that’s how we will move forward with that.”

It was moved by Committee Member Pinckney and seconded by Committee Member Steve Davis to **approve** consideration, prior to First Reading, of an ordinance for the Pimlico Special Tax District operational budget for fiscal year beginning July 1, 2011 and ending June 30, 2012. The motion passed by unanimous voice vote of the Committee.

3. An **ordinance** providing for the fiscal year beginning July 1, 2011 and ending June 30, 2012 for the **Sangaree Special Tax District** operational budget; and to provide for the expenditures of the revenues received by the Sangaree Special Tax District during the fiscal year.

Committee Member Cathy Davis: “We’ve already done that one.”

Chairman Schurlknight: “Ok; let’s go down...”

Committee Member Steve Davis: “I don’t think we have.”

Committee Member Cathy Davis: “I made a motion.”

Ms. Austin: “We – no, Sir; you didn’t do Sangaree. You stopped...”

Committee Member Cathy Davis: “Ok.”

Ms. Austin: “...made a statement and corrected Pimlico.”

It was moved by Committee Member Cathy Davis and seconded by Committee Member Steve Davis to **approve** consideration, prior to First Reading, of an ordinance for the Sangaree Special Tax District operational budget for fiscal year beginning July 1, 2011 and ending June 30, 2012. The motion passed by unanimous voice vote of the Committee.

4. An **ordinance** providing for the fiscal year beginning July 1, 2011 and ending June 30, 2012 for the **Tall Pines Special Tax District** operational budget; and to provide for the expenditures of the revenues received by the Tall Pines Special Tax District during the fiscal year.

It was moved by Committee Member Cathy Davis and seconded by Committee Member Steve Davis to **approve** consideration, prior to First Reading, of an ordinance for the Tall Pines Special Tax District operational budget for fiscal year beginning July 1, 2011 and ending June 30, 2012. The motion passed by unanimous voice vote of the Committee.

5. An **ordinance** providing for the fiscal year beginning July 1, 2011 and ending June 30, 2012 for the operational budget of the **Berkeley County Special Fire Tax District** within the unincorporated portions of Berkeley County; and to provide for the expenditures of the revenues received by the Special Fire Tax District during the fiscal year.

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve** consideration, prior to First Reading, of an ordinance for the Berkeley County Special Fire Tax District operational budget for fiscal year beginning July 1, 2011 and ending June 30, 2012. The motion passed by unanimous voice vote of the Committee.

6. An **ordinance** providing appropriations for the fiscal year beginning July 1, 2011 and ending June 30, 2012 for **Berkeley County**; to provide for levy of taxes on all taxable property in Berkeley County for all County purposes; to provide for the expenditures of said taxes and other revenues coming into the County for the fiscal year; and to amend the Code of Ordinances, Berkeley County, South Carolina, setting rates, charges and penalties for Water and Sewer and Solid Waste Service by **Berkeley County Water and Sanitation**.

Mr. Fish: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Fish."

Mr. Fish: "Why is it – I guess, I'm a little confused that this is the first time that we've had both Water and Sewer, which is a totally separate department and funded separately from the County, it's all grouped together under one resolution, one ordinance. Is that a misprint or something or what?"

Supervisor Daniel Davis: "No; we're combining; we talked about that. Actually, we started to do it last year, but we're combining both ordinances, both departments or sides of the government under one ordinance, because it is – it is a department of the County, so there's no sense in having two ordinances."

Mr. Callanan: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Callanan."

Mr. Callanan: "We didn't – I distinctly remember, because it was rather a memorable meeting last year. It was two separate budgets that we approved last year. Are we doing it as one budget?"

Supervisor Daniel Davis: "Mr. Chairman, may I respond?"

Chairman Schurlknight: "Yes, please."

Supervisor Daniel Davis: "We're presenting both budgets. They will not be combined under one budget, but the ordinance will be adopted together, because it's just recordkeeping. It is the County's budget, and it does include Water and Sanitation, as well as the General Fund and other budgets. There are a lot..."

Mr. Callanan: "But, will they be separated or not?"

Supervisor Daniel Davis: "Oh, yes; they will be – you – you won't notice – if you remember, we gave them to you about a month ago. They're two separate budgets as far as the recordkeeping, but they're gonna be combined under one ordinance. That's all we're saying."

Mr. Callanan: "But, but if I want to – but there's no way now for me to approve to vote for the County Budget and vote against the Water and Sanitation Budget. Is that what you're saying?"

Supervisor Daniel Davis: "You can always have an amendment, sure."

Mr. Callanan: "An amendment to?"

Supervisor Daniel Davis: "To vote on them separately."

Mr. Callanan: "Ok."

Mr. Fish: [inaudible]

Mr. Callanan: "Well, we have to wait til it gets out of Committee."

Committee Member Steve Davis: "Mr. Chairman?"

Chairman Schurlknight: "Yes, Mr. Davis."

Committee Member Steve Davis: "In reference to these respective budgets just being authorized by one ordinance, I think, the Supervisor is saying..."

Chairman Schurlknight: "Right."

Committee Member Steve Davis: "...and they'll still be separate and distinct with equal, open opportunity for folks to subtract, add, amend, do whatever they want to – just one law that authorizes both budgets."

Chairman Schurlknight: "Right."

Committee Member Steve Davis: "Now, will there be opportunity for workshops on both of these budgets before Second Reading?"

Chairman Schurlknight: "Yes; we've got a couple already scheduled for the 24th, 25th of May."

Committee Member Steve Davis: "And, everyone is actively asked to participate in these workshops?"

Chairman Schurlknight: "Sure, exactly. I hope everybody will participate in the workshops."

Committee Member Steve Davis: "And, it's not uncommon for us to do this First Reading before we actually get down to the brass knuckles of what's going to be in the budget."

Chairman Schurlknight: "That's correct."

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve** consideration, prior to First Reading, of an ordinance for fiscal year July 1, 2011 – July 1, 2012 for Berkeley County and Berkeley County Water and Sanitation.

Chairman Schurlknight: "Any other discussion?"

Mr. Callanan: "Yeah, Mr. Chairman?"

Chairman Schurlknight: "Mr. Callanan."

Mr. Callanan: "When will we be getting the Supervisor's recommended budget, prior to what reading?"

Chairman Schurlknight: "This would be..."

Supervisor Daniel Davis: "May 9th."

Chairman Schurlknight: "Yeah; it would be the 9th of May."

Mr. Callanan: "So, that would be – prior to the workshop, we'll have a recommended budget?"

Supervisor Daniel Davis: "Correct."

Chairman Schurlknight: "Sure."

Mr. Callanan: "Ok; and – ok; thank you."

Chairman Schurlknight: "Any other discussion?"

There was no further discussion.

The motion passed by unanimous voice vote of the Committee.

7. An **ordinance to amend Ordinance No. 10-07-20**, adopted July 26, 2010, to provide for **supplemental appropriations** and allocations thereof within the 2010–2011 budget for Berkeley County; and other matters relating thereto.

Committee Member Steve Davis: "Mr. Chairman, could we have some information on this?"

Chairman Schurlknight: "Yes; Kace?"

Ms. Kace Smith, Deputy Supervisor and Finance Director: "Council, this is just for title only at this time, but this is, as you know, we do a supplemental appropriation every year to record revenues that have come in, such as insurance proceeds that were originally not budgeted and related expenditures. So, we will be getting some information to you prior to Second Reading."

Committee Member Steve Davis: "So this too, Kace, has to go through three readings before action?"

Ms. Smith: "Yes, Sir."

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve** consideration, prior to First Reading, of an ordinance to amend Ordinance No. 10-07-20 providing for supplemental appropriations and allocations thereof within the 2010–2011 budget for Berkeley County. The motion passed by unanimous voice vote of the Committee.

E. **Review** prior to **Third Reading** of **Bill No. 11-03**, an **ordinance** authorizing the execution and delivery of a fee agreement between Berkeley County, South Carolina, and **New Breed Logistics of South Carolina, LLC**, and matters relating thereto.

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve** review, prior to Third Reading, of Bill No. 11-03. The motion passed by unanimous voice vote of the Committee.

REPORTS FROM STANDING COMMITTEES:

Committee on Human Services Council Member, Mr. Dennis Fish, Chairman

Chairman Fish: “Mr. Chairman, the Committee on Human Services met on April 11th and earlier this evening.

Additional Funds for Chemicals – Mosquito Abatement

Chairman Fish: “On recommendation of the Committee, I move to **approve** \$64,000.00 in additional funds for the Mosquito Abatement Department for the purchase of chemicals; funds to come from Contingency and to be used as an on needed basis.”

Chairman Schurlknight: “We have a motion. Is there any discussion?”

Mr. Callanan: “Yes, Mr. Chairman?”

Chairman Schurlknight: “Mr. Callanan.”

Mr. Callanan: “Am I – is this new? I mean, do we normally read out on a, on Finance Committee agenda?”

Chairman Schurlknight: “This is needed to be reported out of Finance.”

Ms. Austin: “We do when it comes from Contingency.”

Chairman Schurlknight: “Right.”

Mr. Callanan: “When it comes to Contingency, ok. That’s all I needed to know. Thank you.”

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve** \$64,000.00 in additional funds for the Mosquito Abatement Department for the purchase of chemicals, with funds to come from Contingency and to be used on an as needed basis. The motion passed by unanimous voice vote of the Committee.

(That concluded Chairman Fish’s report.)

It was moved by Committee Member Call and seconded by Committee Member Steve Davis to **adjourn** the meeting of the Committee on Finance. The motion passed by unanimous voice vote of the Committee.

Meeting adjourned at 6:36 p.m.

May 23, 2011
Date Approved